

The logo for The Joshua Fund features a stylized blue wave above the word "The" in a serif font, followed by "JOSHUA FUND" in a larger, bold serif font.

The JOSHUA FUND

Consolidated Financial Statements
With Independent Auditors' Report

September 30, 2024 and 2023

THE JOSHUA FUND

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Joshua Fund
McLean, Virginia

Opinion

We have audited the accompanying consolidated financial statements of The Joshua Fund and its subsidiary, which comprise the consolidated statements of financial position as of September 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Joshua Fund and its subsidiary as of September 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of The Joshua Fund and its subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Joshua Fund and its subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Board of Directors
The Joshua Fund
McLean, Virginia

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Joshua Fund and its subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Joshua Fund and its subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Capin Crouse LLC

Colorado Springs, Colorado
February 28, 2025

THE JOSHUA FUND

Consolidated Statements of Financial Position

	September 30,	
	2024	2023
ASSETS:		
Cash and cash equivalents	\$ 5,603,099	\$ 384,345
Restricted cash	33,137	33,142
Certificates of deposit	1,217,714	1,490,803
Prepaid expenses and other assets	336,986	341,553
Property and equipment—net	5,328	7,107
	<u> </u>	<u> </u>
Total Assets	<u>\$ 7,196,264</u>	<u>\$ 2,256,950</u>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	<u>\$ 481,591</u>	<u>\$ 267,848</u>
Net assets:		
Without donor restrictions:		
Operating	5,714,673	962,182
Board designated	1,000,000	1,000,000
	<u>6,714,673</u>	<u>1,962,182</u>
With donor restrictions	-	26,920
Total net assets	<u>6,714,673</u>	<u>1,989,102</u>
Total Liabilities and Net Assets	<u>\$ 7,196,264</u>	<u>\$ 2,256,950</u>

See notes to consolidated financial statements

THE JOSHUA FUND

Consolidated Statements of Activities

	Year Ended September 30,					
	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING:						
Support and Revenue:						
Contributions	\$ 15,039,178	\$ 3,389,571	\$ 18,428,749	\$ 6,245,767	\$ 250,338	\$ 6,496,105
Contributed services and goods	117,620	-	117,620	128,096	-	128,096
Interest and other income	210,253	-	210,253	70,722	-	70,722
Total Support and Revenue	15,367,051	3,389,571	18,756,622	6,444,585	250,338	6,694,923
Net Assets Released:						
Purpose restrictions	3,416,491	(3,416,491)	-	421,340	(421,340)	-
Expenses:						
Program services	11,351,532	-	11,351,532	7,208,967	-	7,208,967
Supporting activities:						
General and administrative	1,874,870	-	1,874,870	1,399,238	-	1,399,238
Fundraising	804,649	-	804,649	351,758	-	351,758
Total Expenses	14,031,051	-	14,031,051	8,959,963	-	8,959,963
Change in Net Assets	4,752,491	(26,920)	4,725,571	(2,094,038)	(171,002)	(2,265,040)
Net Assets, Beginning of Year	1,962,182	26,920	1,989,102	4,056,220	197,922	4,254,142
Net Assets, End of Year	\$ 6,714,673	\$ -	\$ 6,714,673	\$ 1,962,182	\$ 26,920	\$ 1,989,102

See notes to consolidated financial statements

THE JOSHUA FUND

Consolidated Statement of Functional Expenses

Year Ended September 30, 2024

	Program Services	Supporting Activities		Total Expenses
		General and Administrative	Fundraising	
Grants and contracts	\$ 7,952,903	\$ -	\$ -	\$ 7,952,903
Salaries and benefits	1,440,713	809,676	69,600	2,319,989
Communications	1,268,552	81,286	544,544	1,894,382
Professional services	202,116	287,748	40,337	530,201
Travel and hospitality	262,472	142,451	4,415	409,338
Fees and insurance	5,542	349,317	-	354,859
Office expenses	120,143	50,672	103,893	274,708
Information technology	61,244	52,339	41,860	155,443
Organizational expenses	1,845	81,066	-	82,911
Equipment and facilities	30,752	8,099	-	38,851
Other operating expenses	3,812	11,875	-	15,687
Depreciation and amortization	1,438	341	-	1,779
	\$ 11,351,532	\$ 1,874,870	\$ 804,649	\$ 14,031,051

See notes to consolidated financial statements

THE JOSHUA FUND

Consolidated Statement of Functional Expenses

Year Ended September 30, 2023

	Program Services	Supporting Activities		Total Expenses
		General and Administrative	Fundraising	
Grants and contracts	\$ 4,869,597	\$ -	\$ -	\$ 4,869,597
Salaries and benefits	1,094,720	645,542	51,724	1,791,986
Travel and hospitality	642,540	101,345	28,232	772,117
Communications	393,771	39,375	172,687	605,833
Professional services	76,546	232,175	63,604	372,325
Fees and insurance	16,813	148,430	-	165,243
Information technology	35,953	78,648	26	114,627
Organizational expenses	-	107,668	4,391	112,059
Office expenses	42,770	31,681	31,094	105,545
Equipment and facilities	27,027	3,766	-	30,793
Other operating expenses	8,503	9,445	-	17,948
Depreciation and amortization	727	1,163	-	1,890
	\$ 7,208,967	\$ 1,399,238	\$ 351,758	\$ 8,959,963

See notes to consolidated financial statements

THE JOSHUA FUND

Consolidated Statements of Cash Flows

	Year Ended September 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 4,725,571	\$ (2,265,040)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	1,779	1,890
(Gain) loss on certificates of deposit	(14,096)	21,609
Contributions of investments	(140,529)	-
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	4,567	39,086
Accounts payable and accrued expenses	213,743	(492,815)
Net Cash Provided (Used) by Operating Activities	4,791,035	(2,695,270)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of certificates of deposit and equities	487,415	1,470,000
Purchases of certificates of deposit	(59,701)	(1,487,128)
Purchases of property and equipment	-	(7,187)
Net Cash Provided (Used) by Investing Activities	427,714	(24,315)
Net Change in Cash and Cash Equivalents and Restricted Cash	5,218,749	(2,719,585)
Cash and Cash Equivalents and Restricted Cash, Beginning of Year	417,487	3,137,072
Cash and Cash Equivalents and Restricted Cash, End of Year	\$ 5,636,236	\$ 417,487
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH CONSISTS OF:		
Cash and Cash Equivalents	\$ 5,603,099	\$ 384,345
Restricted Cash	33,137	33,142
	\$ 5,636,236	\$ 417,487

See notes to consolidated financial statements

THE JOSHUA FUND

Notes to Consolidated Financial Statements

September 30, 2024 and 2023

1. NATURE OF ORGANIZATION:

The Joshua Fund (TJF) is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, TJF is subject to federal income tax on any unrelated business taxable income. In addition, TJF is not classified as a private foundation within the meaning of Section 509(a) of the IRC. TJF was founded in 2006 to bless Israel and her neighbors in the name of Jesus, according to Genesis 12:1-3. Blessing Israel and the nations of the Middle East means praying for the peace of Jerusalem, bringing good news to the afflicted, caring for the poor, and being a light to the nations of the Middle East. TJF relies primarily on contributions to operate and conduct its programs and activities.

In 2013, TJF established a limited liability corporation (LLC) incorporated in the State of Delaware, established in order to further TJF's missions to the Middle East. The financial resources of the LLC noted above are consolidated in these financial statements because TJF is the sole member.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

TJF maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements as of and for the years ended September 30, 2024 and 2023 include the financial resources and activities of TJF and the LLC. All material transactions and balances between TJF and the LLC have been eliminated in the consolidation. TJF and the LLC will collectively be referred to as TJF.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and short-term, highly liquid investments with an original maturity term of three months or less. As of September 30, 2024 and 2023, TJF's cash and cash equivalents did not exceed federally insured limits.

RESTRICTED CASH

Restricted cash consists of funds on deposit with a financial institution as collateral for foreign currency exchange transactions.

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Notes to Consolidated Financial Statements

September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

CERTIFICATES OF DEPOSIT

Certificates of deposit consist of certificates of deposit with an original maturity term of more than three months. Certificates of deposit that have a secondary market are held at fair value (Level 2), and other certificates of deposits are carried at cost, plus any accrued interest. As of September 30, 2024 and 2023, TJF had \$1,217,714 and \$1,458,573, respectively, of certificates of deposit held at fair value and \$0 and \$32,230, respectively, of certificates of deposit held at cost plus accrued interest.

PROPERTY AND EQUIPMENT

TJF capitalizes property and equipment purchases exceeding \$3,000 and expenses lesser amounts in the year purchased. Property and equipment are recorded at cost. Donated items are recorded at their fair market value on the date of the gift. Depreciation and amortization is computed on the straight-line method over the estimated useful lives of three to ten years.

CLASSES OF NET ASSETS

The net assets of TJF are reported in the following classes:

Net assets without donor restrictions are currently available at the discretion of the board for use in TJF's operations.

Net assets with donor restrictions include resources restricted by donors primarily for use with certain projects.

SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash and other assets are received or when unconditionally promised. Contributions of goods, services, and other assets are recorded at the fair market value at the time of the gift. TJF reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the contributed amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. All contributions are considered available for use without donor restrictions unless specifically restricted by the donor.

Contributed services of \$117,620 and \$112,400 represent consulting services received during the years ended September 30, 2024 and 2023, respectively. The services are recognized based on estimates of the fair market value of the services received. TJF also received donated goods of \$0 and \$15,696 during the years ended September 30, 2024 and 2023, respectively. The goods are recognized based on estimates of the fair market value of the goods received based on markets in the United States, and all goods were monetized in the year received. The contributed services and goods received during the years ended September 30, 2024 and 2023 did not have any donor-imposed restrictions.

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Notes to Consolidated Financial Statements

September 30, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued:

SUPPORT AND REVENUE, continued

Interest and other revenue is recorded when earned.

FUNCTIONAL ALLOCATION OF EXPENSES

The consolidated statements of functional expenses report certain categories of expenses that are attributable to program or support activities of TJF. These expenses include depreciation and amortization, which are allocated based on the useful lives of the assets. Salaries and benefits are allocated based on time and effort, and costs of other categories are allocated based on the purpose of the expense.

3. LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects TJF's financial assets as of September 30, 2024 and 2023, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year or when the governing board has set aside the funds for specific contingency reserves and projects. TJF structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Because TJF provides resources to partners in a region of the world that sometimes experiences unrest, TJF endeavors to keep adequate liquidity to meet short-term critical and humanitarian needs emanating from crisis events. Management monitors cash flows closely through board meetings and detailed financial analysis.

	September 30,	
	2024	2023
Financial assets:		
Cash and cash equivalents	\$ 5,603,099	\$ 384,345
Restricted cash	33,137	33,142
Certificates of deposit	1,217,714	1,490,803
Financial assets, at year-end	<u>6,853,950</u>	<u>1,908,290</u>
Less those unavailable for general expenditures within one year, due to:		
Restricted cash	(33,137)	(33,142)
Board designations	<u>(1,000,000)</u>	<u>(1,000,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,820,813</u>	<u>\$ 875,148</u>

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Notes to Consolidated Financial Statements

September 30, 2024 and 2023

4. PROPERTY AND EQUIPMENT–NET:

Property and equipment–net consists of:

	September 30,	
	2024	2023
Software	\$ 198,669	\$ 198,669
Website development	37,190	37,190
Furniture, fixtures, and equipment	13,047	13,047
	<u>248,906</u>	<u>248,906</u>
Less: Accumulated depreciation and amortization	<u>(243,578)</u>	<u>(241,799)</u>
	<u>\$ 5,328</u>	<u>\$ 7,107</u>

5. BOARD DESIGNATED:

TJF had board designated net assets of \$1,000,000 as of September 30, 2024 and 2023. The balance consists of board designated funds for safety reserves.

6. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consist of the following:

	September 30,	
	2024	2023
Relief and humanitarian aid	\$ -	\$ 14,910
Advocacy and education	-	6,510
Evangelism and discipleship	-	5,500
	<u>\$ -</u>	<u>\$ 26,920</u>

7. JOINT COST ALLOCATION:

During the year ended September 30, 2024, TJF incurred joint costs for an event that included fundraising appeals. For the year ended September 30, 2024, costs associated with the event have been allocated in the consolidated statement of activities according to functional classifications as follows:

Program services	\$ 551,149
Fundraising	<u>97,262</u>
	<u>\$ 648,411</u>

For the year ended September 30, 2023, TJF did not incur any joint costs.

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Notes to Consolidated Financial Statements

September 30, 2024 and 2023

8. RELATED PARTIES:

Approximately \$13,000 and \$8,000 of contribution revenue was received from related parties, including certain members of the Board of Directors and their immediate family members, during the years ended September 30, 2024 and 2023, respectively.

TJF shares two common members of its Board of Directors with The Joshua Fund (R.A.) (TJFRA), one of which is also an employee of TJF. In addition, the President of TJF is a member of the Board of Directors of TJFRA. During the years ended September 30, 2024 and 2023, TJF granted funds totaling approximately \$1,760,000 and \$1,390,000, respectively, to TJFRA. These amounts are included with grants and contracts expense on the consolidated statements of functional expense.

TJF shares a common member of its Board of Directors with Near East Media (NEM). During the years ended September 30, 2024 and 2023, TJF granted funds totaling approximately \$1,350,000 and \$1,000,000, respectively, to NEM. These amounts are included with grants and contracts expense on the consolidated statements of functional expense.

During the year ended September 30, 2024, TJF had also unconditionally granted \$150,000 to another organization with common board members. These amounts are included with grants and contracts expense on the consolidated statements of functional expense.

During the year ended September 30, 2024, TJF had also unconditionally granted \$431,000 to another organization with a board member who is a senior staff member of TJF. These amounts are included with grants and contracts expense on the consolidated statements of functional expense.

The chairman of the Board of Directors for TJF donated consulting services with a fair market value of approximately \$118,000 and \$112,000 for the years ended September 30, 2024 and 2023, respectively. In addition, the chairman and his spouse were paid for consulting services of approximately \$71,000 for the year ended September 30, 2024.

9. RETIREMENT PLAN:

TJF sponsors a 401(k) defined contribution plan for all employees who are over the age of 21 and have worked at TJF for at least six months, but are not fully vested until one year of service. TJF provides a direct match up to 3% of employee contributions and 1/2 match of employee contributions between 3% and 5%. Total contributions were \$45,009 and \$39,761 for the years ended September 30, 2024 and 2023, respectively.

10. SUBSEQUENT EVENTS:

Subsequent events were evaluated through February 28, 2025, which is the date the consolidated financial statements were available to be issued.